

Summary of Mental Health Provisions in S.L. 2007-323		
Section	Title	Final Conference Agreement Language
6.20	Clarify the Terms and Conditions of Employment of the Director of a Local Management Entity	Amends the General Statute to define that an area director of an LME must be an individual. Limits the director's salary to no more than 10 percent above the normal allowable salary range. Limits the benefits of an area director to those benefits also provided to permanent employees of the area program.
10.44	Extend Implementation of Community Alternatives Programs Reimbursement System	Directs that full implementation for the Community Alternatives Programs reimbursement system be not later than 12 months after the date which the replacement MMIS becomes operational and stabilized.
10.45 (a)-(c)	Families Pay Part of the Cost of Services Under the CAP-MR/DD Program and the CAP-Children's Program Based on Family Income	Directs DHHS to develop a schedule of cost-sharing requirements for families of children with incomes above the Medicaid allowable limit to share in costs of their child's Medicaid expenses under the CAP-MR/DD Program and the CAP-C Program. Any savings realized shall be used to fund additional CAP-MR/DD and CAP-C slots. DHHS will report to Appropriations Committees and Fiscal Research Division by March 1, 2009.
10.49	Build Community Infrastructure for Mental Health, Developmental Disabilities, and Substance Abuse Services	
10.49(a)	Increase Availability of Substance Abuse Treatment	Directs funds for regionally funded, locally hosted substance abuse services be allocated for the purpose of developing and enhancing the ASAM continuum of care at the community level. Also sets aside funds for residential substance abuse programs with a vocational component.
10.49(b)	Increase Availability of Substance Abuse Treatment	Directs that each area program shall determine whether to earn their crisis services funds and their substance abuse services funds on a purchase-for-service or grant basis.
10.49(c)	Increase Availability of Substance Abuse Treatment	Encourages LMEs to use some of their substance abuse funds to support prevention and education activities.
10.49(d)	Increase Availability of Substance Abuse Treatment	Allows LMEs to use up to 1% of substance abuse funds to provide nominal incentives for consumers.

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10.49(e1 and e2)	Increase Availability of Substance Abuse Treatment	(e1) Directs LMEs to consult with TASC to improve offender access to substance abuse treatment. Directs that an additional \$300,000 continue to go to TASC. (e2) Directs LMEs to consult with drug treatment courts in providing an array of drug treatment court services, including treatment and aftercare services that meet the participant's level of need, including step-down services.
10.49(f)	Increase Availability of Substance Abuse Treatment	Directs that LMEs, within available State and county resources, work with county public health departments and county sheriffs to provide medical assessments and medication, if appropriate, for inmates in county jails who are suicidal, hallucinating, or delusional. Also directs LMEs, county public health departments, and county sheriffs, to work together to develop instruments and protocols to deal with inmates with these problems. Directs the Department to develop a statewide standardized screening instrument for offenders by January 1, 2008.
10.49(g)	Additional Housing Assistance	Directs that apartments constructed with funds appropriated for people with disabilities should be affordable at Supplemental Security Income (SSI) level. Gives priority for the subsidy first to NC Housing Agency-financed apartments, second to other publicly subsidized apartments, and third to market-rate apts. Directs NCHFA to give preference to housing developments that have an LME as a lead agency.
10.49(h1)	Additional Housing Assistance	Directs DHHS and NCHFA to develop plan for housing people with MH/DD/SA disabilities. Directs interim plan to be reported by March 1, 2008. A final plan will be submitted by March 1, 2009 with strategies for addressing gaps in the housing continuum and a report on the progress of the Housing 400 Initiative.
10.49(h2)	Additional Housing Assistance	Allows DHHS to transfer funding for operating cost subsidies to NCHFA for same purposes. Directs a report of aggregate of types of disabilities (without identifying specific individuals) by May 1, 2008 and again by May 1, 2009. Allows up to \$150,000 of subsidy funds to be used for these administrative purposes.
10.49(i)	Additional Housing Assistance	Directs DHHS to develop a definition of "Transitional Residential Treatment Program" for adults who have a pattern of difficult behaviors related to mental illness, which exceeds the capabilities of traditional residential settings. Directs DHHS to (1) report to the LOC before implementation of the definition and (2) report to the LOC on progress by March 1, 2008.

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10.49(j)	Additional Housing Assistance	Directs joint ad hoc subcommittee (of the LOC and NC Commission on Aging) to continue to study and identify rules and laws needed for facilities that house people both with and without mental illnesses.
10.49(k)	Additional Housing Assistance	Directs DHHS to create Uniform Screening Tool (UST) for providers to determine the mental health of anyone added to a long-term care facility. Directs DHHS to provide a status report to the LOC on the implementation of the UST by October 1, 2007, and directs that the UST be implemented no later than January 1, 2008.
10.49(l)	Additional Housing Assistance	Amends the General Statute to more clearly define the care coordination function of LMEs to include activities such as the development of the care plan for individual clients, ensuring linkages to primary care providers, easing transitions from one service to another, and developing discharge plans for consumers leaving state facilities.
10.49(m)	Crisis and Acute Care Services	Directs DHHS to use \$13.7 million in crisis funding to LMEs to implement the crisis plans developed under S.L. 2006-66, Section 10.26. Directs DHHS to consider closure of state institutions in allocation to LMEs. Allows DHHS to use \$250,000 of those funds to extend contract with crisis services consultant.
10.49(n)	Crisis and Acute Care Services	Rewrites S.L. 2006-66, Section 10.26(d) to include detoxification in the list of components LMEs must address in their crisis plans. Also changes term "area authority or county program" to "LME".
10.49(o)	Crisis and Acute Care Services	Directs LMEs to report monthly to DHHS and consultant on use of crisis funds, whether there is a reduction in the use of State hospitals, and any remaining gaps in local and regional crisis services. Directs DHHS and consultant to report quarterly to various legislative committees and Fiscal Research Division. Reporting requirements expire July 1, 2008.
10.49(q)	Crisis and Acute Care Services	Amends G.S. 122C-147.1 by adding subsection (b1), which prevents allocation of crisis services funds by broad disability or age/disability categories.
10.49(r)	Crisis and Acute Care Services	Directs DHHS to develop a system of reporting aggregate information about visits to the emergency room of people in crisis due to mental health, developmental disabilities, or substance abuse to LMEs on a quarterly basis.

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10.49(s1) - (s5)	Crisis and Acute Care Services	(s1) Directs the use of hospital utilization pilot funds for 18-month pilot programs to reduce State psychiatric hospital use. Of funds appropriated, \$250,000 shall be set aside for the Division of Mental Health and the remainder shall be distributed to the pilot LMEs. Also directs the Division to develop a plan for expanded pilots in FY 2008-09. (s2) Directs that up to 3 LMEs in the same catchment area and at least one LME in a different catchment area be selected by the Division for the pilot and lists the Division's responsibilities for the pilot implementation. (s3) Lists the parameters of the pilot. (s4) Directs Division to use pilot programs to develop proposal for subsequent pilots. Requires two interim reports by October 15, 2007 and February 1, 2008 and a final report by February 1, 2009. (s5) Directs budget of State psychiatric hospitals not to be reduced by pilot programs in 2007-2008, but allows budget changes in subsequent years.
10.49(t)	Crisis and Acute Care Services	By notwithstanding statutes with facility closure requirements for the closure of Dorothea Dix and John Umstead Hospitals, allows closure of those two hospitals provided that certain conditions are met, including the presentation of the plan for closure to all members of the General Assembly. Additionally, prevents the Secretary from closing a State facility if there are not adequate replacement services available.
10.49(u)	Crisis and Acute Care Services	Boilerplate provision for <u>Olmstead</u> compliance. Directs DHHS to develop transition plans for individuals in State psychiatric hospitals. Directs DHHS to submit reports to the Appropriations Committees, the LOC, and Fiscal Research on those plans on December 1, 2007 and May 1, 2008.
10.49(v)	Use of Mental Health Trust Funds	Directs that funds allocated to area programs but remaining in the MHTF be dispersed to the area programs for community-based services by October 1, 2007. Funds not expended by June 30, 2009 shall revert to the MHTF. Funds previously allocated for other purposes in the 2006-2007 MHTF plan shall be disbursed for those other purposes.
10.49(w1)	Use of Mental Health Trust Funds	Rewrites G.S. 143C-9-2 to reflect a community-based approach, to remove two permitted uses of Trust Fund monies, and to require annual reports to Fiscal Research Division regarding Trust Fund expenditures.
10.49(w2)	Use of Mental Health Trust Funds	Notwithstands the MHTF statute to direct savings from hospital downsizing to funding the State's contribution to the LME system administration in FY 2007-08 and FY 2008-09.
10.49(w3)	Use of Mental Health Trust Funds	Notwithstands statutes regarding the MHTF to set aside \$1.5 million for DHHS for statewide initiatives.

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10.49(x)	Use of Mental Health Trust Funds	Allows Secretary of DHHS to use funds from the MHTF - or if the Trust Fund is insufficient, from other available sources - to support up to 66 new positions in the JFK ADATC only if it opens before July 1, 2008.
10.49(y)	Strengthen the Services Network	Directs DHHS to add two LMEs to single stream funding, in addition to the five already receiving single stream funding. Also directs DHHS to develop clear standards for single stream funding qualification and to give such funding to any LME that meets the standards. The standards shall be developed and implemented not later than October 1, 2007.
10.49(z)	Strengthen the Services Network	Directs LOC to study 1915(b) Medicaid waiver and LMEs operating under a waiver.
10.49(z1)	Strengthen the Services Network	Directs LOC to study whether and under what circumstances it would be appropriate for an LME to be a service provider.
10.49(aa)	Strengthen the Services Network	Directs DHHS to begin the process for three additional LMEs to apply for Medicaid waivers before July 1, 2008.
10.49(bb)	Filling Services Gaps	Directs that funds appropriated in this act for mental health services and supported employment be distributed based on the "poverty formula". Further directs that funds allocated in 2006 for mental health, substance abuse, and crisis services continue to be allocated on the poverty formula.
10.49(cc)	Filling Services Gaps	Reiterates that 122C-147.1(c) applies to Developmental Therapies. This statute states that funds that have been appropriated by the General Assembly for a more specific purpose than a broad age/disability category shall be converted to a broad age/disability category at the beginning of the second biennium following the appropriation, unless otherwise acted upon by the General Assembly.
10.49(dd)	Filling Services Gaps	Directs DHHS to apply to Centers for Medicare and Medicaid Services for additional waivers (in addition to the current CAP-MR/DD waiver) for persons with developmental disabilities. The new waivers are to create a tiered system of services. Requires a report to the LOC by March 1, 2008.

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10.49(ee)	Filling Services Gaps	Directs DHHS to review expenditures for community support services to avoid overexpenditure. Also directs DHHS to revise management policies in order to meet twelve enumerated objectives. Directs DHHS to report on implementation of list of appropriate community support services by November 1, 2007. Not later than March 1, 2008, DHHS shall report on implementation and status of activities of this subsection. By January 1, 2008, DHHS shall adopt statewide standardized authorization procedures and processes for Medicaid utilization review, and before July 1, 2008, up to six LMEs who meet those standards may contract with the outside vendor to perform those services. Prior to reviewing, extending or entering into a contract with an outside vendor for utilization review, DHHS shall consult with the LOC.
10.49(ff)	LME Administrative Funding	Explains General Assembly's lack of information about county expenditures on MH/DD/SA services and the incomes of persons receiving services with both State and county funds. Directs LMEs to report annually to Division all expenditures from county funds and to collect income information on recipients of services. Also directs DHHS to use funds available in DHHS to fully fund the State's contribution to the LME system administration.
10.49(gg)	LME Administrative Funding	States that it is the intent of the General Assembly that the LME system administration funding will be fully funded in future years through savings from hospital downsizing.
10.49(hh)	LME Administrative Funding	Amends G.S. 122C-115.4(d) to add language stating that the Secretary can neither remove from an LME <u>nor designate another entity to implement</u> the LME functions as outlined earlier in the statute unless an LME fails for three months, the Secretary provides focused technical assistance, and if, after six months of receiving technical assistance, the LME has not maintained satisfactory performance.
10.49(ii)	LME Administrative Funding	Directs DHHS to use available funds up to \$500,000 to contract with Kenan-Flagler Business School @ UNC-CH to provide administrative training to LMEs.
10.49(jj)	LME Administrative Funding	States that in allocating funds to LMEs, DHHS shall ensure that LMEs do not receive less in services dollars than they spent in FY2006-07.

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10.50	Developmental Center Downsizing	Boilerplate provision that directs the downsizing of State Developmental Center facilities. The only difference from previous years is that "Mental Retardation Center" has been changed to "Developmental Center".
10.51	DHHS Policies and Procedures in Delivering Community Mental Health, Developmental Disabilities, and Substance Abuse Services	Boilerplate provision that directs the Division of MH/DD/SAS to identify and eliminate administrative and fiscal barriers to the delivery of community-based MH/DD/SA services. The difference from previous years is that it more specifically directs a reworked allocation formula in 10.51(b) and requires the Department to report on that formula by 10/1/07.
10.52	Services to Multiply Diagnosed Adults	Boilerplate provision providing direction to the Division of MH/DD/SAS on serving multiply diagnosed adults.
10.53	Departmental Flexibility in Scheduling the Transfer of Positions Pertaining to the Closure of Dorothea Dix and John Umstead Hospitals and the Opening of Central Regional Hospital	Allows DHHS to schedule the transfer of positions from the closure of Dorothea Dix and John Umstead hospitals and the opening of the Central Regional Hospital in accordance with the appropriations and reductions in the money report. Limits transfers to those reflected in the second year of the biennium. Also allows, in 10.53(b), Broughton Hospital to use up to \$250,000 of available funds to purchase a CT Scanner.
10.53A	Institute of Medicine Task Force/Study of Substance Abuse Services in North Carolina	Directs the use of funding appropriated to the Institute of Medicine. Further directs the substance abuse services study to be conducted with these funds.